

REMARKS

Applicants have added new claims 79 and 80. Support for these claims may be found on page 11, lines 24-31 and from example 1 on page 22. No new matter has been added.

Applicants are submitting a declaration by Randall A. Boudouris under 37 C.F.R. §1.132 showing both commercial success, failure of others, and a license revealing industry respect for the invention.

It has long been recognized that *objective evidence* of non-obviousness may be used to rebut a *prima facie* case of obviousness based on prior art references. Among the relevant objective, secondary considerations are: (1) copying; (2) long-felt, but unresolved need; (3) the failure of others; (4) commercial success; (5) unexpected results created by the claimed inventions; (6) unexpected properties of the claimed inventions; (7) licenses revealing industry respect for the invention; and (8) skepticism of skilled artisans before the invention. See *In re Rouffet*, 149 F.3d 1350, 1355 [47 USPQ2d 1453] (Fed. Cir. 1998); *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 [148 USPQ 459] (1966); *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); *Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997); *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 316, 227 USPQ 766, 771 (Fed. Cir. 1985).

The consideration of the objective evidence presented by the patentee is a necessary part of the obviousness determination. See *In re Rouffet*, 149 F.3d at 1355, 47 USPQ2d at 1456.

Applicants are hereby providing objective evidence of non-obviousness including commercial success and industry respect for the invention in the form of a declaration by Randall A. Boudouris, President of MagnetNotes, Inc. which further supports the patentability of the subject matter disclosed and claimed in the above-referenced patent application.

Included with this declaration are exhibits A, B and C. Exhibit A is a letter written by Dr. B. Thomas Shirk, President of Hoosier Magnetics, the largest

producer of ferrite powders in the western hemisphere. Dr. Shirk discusses both the state of the art, and the advances which have been made by the technology disclosed and claimed in the above-referenced patent application. Dr. Shirk makes several statements as to how the present invention is different from the prior art processes and articles produced by those processes.

Statement 1) of Dr. Shirk's letter and independent claims 1 and 72 of the present application as required under 37 C.F.R. §1.132. Statement 2) of Dr. Shirk's letter relates to claims 22-24 of the present application, statement 3)relates to new claims 79 and 80, and statements 5) and 6) relates to claim 8 of the above-referenced patent application.

Dr. Shirk's letter is indicative of commercial success and the failure of others to provide a process of directly coating magnetic compositions to printable substrates as disclosed and claimed in the present application.

Exhibit B is a letter written by Scott E. Morling, Director of the Magnetics Papers Group of MeadWestvaco. MeadWestvaco has licensed the technology disclosed and claimed in U.S. Patent Application Serial No. 09/990,109 from MagnetNotes, Ltd. MeadWestvaco has established the Magnetic Papers Group for promotion and sales of this technology. To date, sales of the products manufactured as a result of the technology disclosed and claimed in U.S. Application Serial No. 09/990,109, have reached approximately \$1,000,000. MagnetNotes, Ltd. has received both a large sum of money as an initial payment for licensing the technology, as well as valuable royalties on gross sales of this product. This is objective evidence of commercial success and industry respect for the invention.

Exhibit C is a letter written by Jerry Majkzak, President of May Coating Technologies. Jerry has extensive experience in coating processes and coating equipment and based on this experience, is qualified as one of skill in the art. Jerry has extensive knowledge of current coating technology, as well as the subject matter described and claimed in the above-referenced patent application. Jerry has stated in his letter that the process is unique based on his knowledge in the art, and that it offers significant commercial advantages over prior technology.

The required nexus exists between the letters provided and the invention disclosed and claimed in U.S. Patent Application Serial No. 09/990,109. "A prima facie case of nexus is generally made out when the patentee shows both that there is commercial success, and that the thing (product or method) that is commercially successful is the invention disclosed and claimed in the patent." *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392, 7 USPQ2d 1222, 1226 (Fed. Cir. 1988).

The declaration by Randall A. Boudouris under 37 C.F.R. §1.132 and exhibits A, B and C discussed therein, provide objective evidence of the patentability of the subject matter disclosed and claimed in the above-referenced patent application.

CONCLUSION

Claims 1-41, 60, 72 and 75 are pending in the application. Applicants respectfully request that the objective evidence provided in the Declaration of Randall A. Boudouris under 37 C.F.R. §1.132 be considered in combination with the Amendment and Response mailed April 16, 2004, which was not entered.

Applicants respectfully request reconsideration and an early allowance of the claims as presented in the above-referenced application.

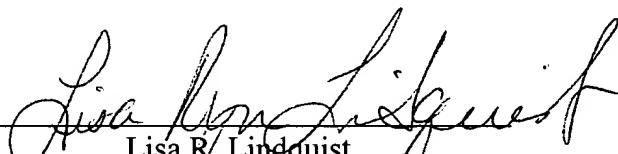
Should any issues remain, the examiner is invited to contact the attorney of record at (952)563-3011 to expedite prosecution of the above-referenced patent application.

Respectfully submitted,

VIDAS, ARRETT & STEINKRAUS

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